

EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF **MANAGEMENT** AND BUDGET

WASHINGTON, D.C. 20503

Testimony of the Honorable Clay Johnson III
Deputy Director for Management
Office of Management and Budget

before the

House Committee on Government Reform Subcommittee on the Federal Workforce and Agency Organization

September 27, 2005

Congress and the Administration want to spend the taxpayers' money wisely. Establishing Results and Sunset commissions would help us achieve this goal.

Katrina has sharpened everyone's focus on spending the taxpayers' dollars wisely. The public, the media and every elected official rightly demand that scarce public funds be spent on real needs and that we get what we pay for. We should be held accountable for what we accomplish with all areas of public spending, not just disaster spending. The taxpayers deserve a thoughtful, regular review of their government's spending. The process of regularly reviewing programs will help us figure out how to make them better every year.

Sunset Commission

The Sunset Commission will regularly ask whether programs are working and recommends that programs be retained, reformed, or terminated based on their performance and efficiency. It will ensure that Congress and the Executive Branch ask of programs, at least once a decade, whether or not we have provided taxpayers a good return on their investment. As the Government Accountability Office (GAO) suggests, "A periodic reexamination offers the prospect of addressing emerging needs by weeding out programs and policies that are outdated or ineffective." The bipartisan Sunset Commission will recommend ways existing agencies and programs can improve effectiveness, and propose to restructure or terminate agencies and programs that are unable to demonstrate adequate performance.

Results Commissions

The bipartisan Results Commission will study and recommend ways to make similar programs more effective and efficient. This Commission will consider Administration proposals to improve performance by restructuring or consolidating agencies or programs. If reform is achieved through consolidation or restructuring, that will reduce unnecessary costs for American taxpayers and improve the results we achieve.

A Results Commission is needed because, as GAO has said, "The fragmentation of Federal programs reflects a policymaking process that is overly stovepiped by agency and program, with insufficient focus on how individual programs contribute to overarching, crosscutting goals and missions." Neither the

¹ The Government Accountability Office, "21st Century Challenges: Reexamining the Base of the Federal Government," February 2005, GAO-05-325SP.

² Ibid.

annual budgeting process nor the Congressional authorization process effectively looks at programs across agencies. In many cases, individual efforts may be working but overall goals might not be met in the most efficient way. We have an opportunity to improve coordination and make an even bigger impact in our most challenging policy areas.

Consistent with our focus on results, particularly in the wake of Katrina, Congress and the Executive Branch should be paying special attention to whether we are getting the most for taxpayers' dollars. We should apply this same focus to every program and program area.

I know the Congress shares the Administration's goal for improved organization and management of Federal programs. I look forward to working with this committee to achieve that objective. The Administration's proposed Government Reorganization and Program Performance Improvement Act is an important tool in that effort.

A summary of the Administration's "Government Reorganization and Program Performance Improvement Act" follows.

Government Reorganization and Program Performance Improvement Act A Summary

The Administration proposes legislation to improve agency and program performance and to spend taxpayer money more wisely. The bill would create Sunset and Results Commissions that require Congress and the Executive Branch to regularly and formally focus on whether agencies and programs achieve desired results for the American people.

• The Sunset and Results Commissions will help agencies and programs improve performance on behalf of the American people. Today, more than 30 percent of government programs that are assessed are rated as ineffective or unable to demonstrate results.

The Sunset Commission Will Hold Agencies And Programs Accountable For Performance

The Sunset Commission will consider Presidential proposals to retain, restructure, or terminate government agencies or programs. To help all agencies fo cus on results and performance, this legislation:

- Creates a seven-member, bipartisan Commission appointed by the President in consultation with the Congress.
- Authorizes Congress and the President to enact a 10-year schedule for the Administration to
 assess the performance of agencies and programs. Based on those assessments, the Commission
 will recommend ways agencies and programs can improve effectiveness and spend taxpayer
 dollars more wisely.
- Facilitates the reform, restructuring, or termination of agencies and programs unable to demonstrate expected performance and results in their scheduled review.

The Results Commission Process Will Reduce Unnecessary Cost and Overlap In Programs

Results Commissions established by Congress for specific programs or policy areas will consider Administration proposals to improve performance by restructuring or consolidating agencies and programs. Reform through consolidation or restructuring will reduce unnecessary costs for American taxpayers.

- Congress would approve the creation of individual Results Commissions to address a single
 program or policy area where duplication or overlapping jurisdiction hinder reform. For
 example, individual Results Commissions could be created to recommend improvements for
 programs that provide job training, eliminate chronic homelessness, or reduce teen pregnancy –
 areas where multiple programs in different agencies share the same or similar goal.
- Proposals approved by the Commissions and the President would be considered by Congress under expedited procedures.
- Each Results Commission would be bipartisan and consist of seven members appointed by the President in consultation with Congress.